

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2830 - HB 3806

February 23, 2012

SUMMARY OF BILL: Applies government tort liability to any action brought by an employee of a government entity pursuant to workers' compensation law. Excludes counties with populations exceeding 500,000; municipalities with populations exceeding 100,000; and counties or cities that have provided a notice of acceptance pursuant to workers' compensation law prior to January 1, 2012.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Exceeds \$10,000,000*

Assumptions:

- Excludes Shelby and Davidson County; excludes the cities of Nashville, Knoxville, Memphis, Clarksville, Chattanooga, and Murfreesboro.
- According to the Department of Treasury, there will be no impact on the State Risk Management Fund.
- Based on information provided by the County Technical Assistance Service, some counties in the state are not currently under workers' compensation law, and counties may opt in by department. Based on information from Sumner County, the increase in local expenditures will be \$3,000,000 per year if workers' compensation law is applied to the county.
- Based on information provided by the Department of Labor and Workforce Development, more than 30 municipalities and more than 5 counties are not currently under workers' compensation law.
- Due to multiple unknown factors, a precise fiscal impact for this bill is difficult; however, the recurring increase in local government expenditures is reasonably estimated to exceed \$10,000,000 statewide.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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